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November 3, 2014

Sent via Email & Certified Mail

Mr. Allen Rencurrel
Nantucket Sound Seafood, LLC
350 South Front Street
New Bedford, MA 02740

Dear Allen;

This letter confirms our phone conversations of the last few weeks where I have expressed my disappointment with the direction you and your partners have chosen to take Nantucket Sound Seafood, LLC ("Nantucket"). This letter outlines those issues and the actions Atlantic Capes Fisheries, Inc. ("ACF") is now compelled to take.

- 1) Nantucket and ACF had an agreement whereby Nantucket would sell clam meats to an agreed set of customers (see attached) and ACF would buy all the excess Nantucket surf clam meat daily that was not sold to the agreed set of customers for the price of \$2.50 per pound. While ACF has complied with the agreement Nantucket has not honored our agreement and has, among other things, sold clam meats to customers not on the agreed list of customers. From the date of this letter forward ACF will only continue to purchase Nantucket meat at its exclusive option on a day to day basis and will only pay \$1.75 per pound for clam meats purchased from Nantucket.
- 2) Nantucket and ACF had agreed that Nantucket would only purchase shellstock and shuck shellstock from the FV SEAFOX. Nantucket also did not comply with this commitment having solicited and purchased surf clams at a minimum also from the FV MISS MEGAN.
- 3) As you know the FV SEAFOX and the FV MISS MEGAN both obtained their supply of surf clam cages from Galilean Seafood (ACF) or New Bedford Clam (Lamonica Fine Foods). While this arrangement was initially appropriate because both vessels were working for either Galilean Seafood (ACF) or New Bedford Clam (Lamonica) neither vessel is currently harvesting and supplying shellstock to ACF or Lamonica. As you know surf

clam cages are manufactured by a limited number of manufacturers specifically for the purpose to meet NMFS regulations. There are only four owners of clam cages by having ordered and paid for them to the manufacturer. These four owners commonly share the clam cages in a "cage exchange system" which includes their client vessels, the trucking companies which transport the cages, and the docks which offload the cages. While the cages are temporarily in the possession of boats, truckers, and docks their ultimate ownership is not in question since the cages were specifically manufactured for those four companies (and their predecessors, these companies having bought out previously existing clam companies including their clam cage assets). SeaWatch International, Surfside Products, and Lamonica Fine Foods have requested and authorized ACF to recover from Nantucket, and any vessel supplying Nantucket, all of the clam system clam cages in the control of Nantucket either on the vessels, trucks delivering to Nantucket, or at Nantucket's facility. As of the next sailing of any vessel supplying Nantucket we require that you cease and desist from using any surf clam cage in your possession. To accommodate the FV SEA FOX, the FV MISS MEGAN, and any other vessel supplying Nantucket, ACF is willing to either arrange to pick up the surf clam cages empty from the vessels or to pick up the surf clam cages from the vessel with surf clams and to purchase the surf clams from the vessel.

- 4) ACF has also been requested and authorized by SeaWatch, Surfside Products, and Lamonica Fine Foods to retrieve and return to them any exactic totes which are specifically marked and owned by any these four clam plants, including ACF/Galilean.
- 5) Please note nothing in this letter is to imply that Nantucket cannot continue in its current business plans. Nantucket can purchase inshore Massachusetts surf clams, which do not require to be landed in clam cages. Nantucket can order and pay for its own clam cages and it can purchase clams landed in cages specifically built for Nantucket. Nantucket can also obtain its own exactic totes.

Please contact me with questions concerning the above. If I do not hear from you, I will contact you personally by phone to coordinate the retrieval of the clam cages and exactic tubs as outlined in this letter and to seek the cooperation of Nantucket's employees.

Thank you for your attention to the above.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel Cohen", with a stylized, flowing script.

Daniel Cohen, President

Cc: Chris Shriver
Jeff Bolton
Michael Bookbinder
Tom Slaughter